



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-855)

Diamond Sawblades and Parts Thereof from the Republic of Korea: Final Results of Antidumping Duty Administrative Review, 2009-2010

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On December 6, 2011, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the Republic of Korea (Korea). The period of review (POR) is January 23, 2009, through October 31, 2010. For the final results, we continue to find that the companies covered by the review made sales of subject merchandise at less than normal value.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Yasmin Nair, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-6478 and (202) 482-3813, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 6, 2011, the Department published the preliminary results of administrative review of the antidumping duty order on diamond sawblades from Korea.¹ On January 5, 2012,

¹ See *Diamond Sawblades and Parts Thereof From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011) (*Preliminary Results*).

we received case briefs with respect to the *Preliminary Results* from Ehwa and Shinhan. We did not receive rebuttal briefs. We did not receive a request for a hearing.

On April, 5 2012, the Diamond Sawblades Manufacturers Coalition (Petitioner) alleged that the Korean respondents Ehwa Diamond Industrial Co., Ltd. (Ehwa) and Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc. (collectively, Shinhan), and their respective Chinese subsidiaries Weihai Xiangguang Mechanical Industrial Co., Ltd., and Qingdao Shinhan Diamond Industrial Co., Ltd., sold diamond sawblades into the United States bearing false country of origin designations.

On April 29, 2012, Hyosung Diamond Industrial Co., Ltd., Western Diamond Tools Inc., and Hyosung D&P Co., Ltd. (collectively, “Hyosung”) formally withdrew its participation in the administrative review.

We extended the due date for the final results of review to June 4, 2012.² On June 4, 2012, the Department deferred the final results of this administrative review to address Petitioner’s fraud allegations.³

On January 8, 2013, we issued a post-preliminary memorandum finding that the information submitted by Ehwa and Shinhan is reliable for the final results of the review.⁴ We have conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

² See *Diamond Sawblades and Parts Thereof From the Republic of Korea and the People's Republic of China: Extension of Time Limits for the Final Results of the Antidumping Duty Administrative Reviews*, 77 FR 20788 (April 6, 2012).

³ See Memorandum to Paul Piquado, Assistant Secretary for Import Administration, entitled “Diamond Sawblades and Parts Thereof from the Republic of Korea and the People’s Republic of China: Deferral of the Final Results of the First Antidumping Duty Administrative Reviews” dated June 4, 2012.

⁴ See Memorandum to Paul Piquado, Assistant Secretary for Import Administration, entitled “2009/2010 Review of the Antidumping Duty Orders on Diamond Sawblades and Parts Thereof from the Republic of Korea and the People’s Republic of China: Post-Preliminary Analysis” dated January 8, 2013. See also Memorandum from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, entitled “Issues and Decision Memorandum for the Final Results in the First Antidumping Duty Order Administrative Review of Diamond Sawblades and Parts Thereof from the Republic of Korea,” dated February 8, 2013 (Final Decision Memorandum), which is hereby adopted by this notice, at Comment

Fraud Allegations

We continue to find the information Ehwa and Shinhan submitted in this review to be reliable for the final results of review. *See* Final Decision Memorandum for more details.

Scope of the Order

The merchandise subject to the order is diamond sawblades. The diamond sawblades subject to the order are currently classifiable under subheadings 8202 to 8206 of the Harmonized Tariff Schedule of the United States (HTSUS), and may also enter under 6804.21.00. The HTSUS subheadings are provided for convenience and customs purposes. A full description of the scope of the order is contained in the Final Decision Memorandum. The written description is dispositive.

Analysis of Comments Received

All issues raised in the case briefs are addressed in the Final Decision Memorandum. A list of the issues raised is attached to this notice as Appendix I. The Final Decision Memorandum is a public document and is on file electronically *via* Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Final Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/>. The signed Final Decision Memorandum and the electronic versions of the Final Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on our analysis of the comments received, we changed our calculation methodology for Ehwa's and Shinhan's dumping margins. We modified the model-match methodology to ensure only products with the same physical form matched. For Ehwa, we

corrected a currency conversion for an expense reported by the company, we recalculated the costs of certain control numbers, and we added sales to Ehwa's U.S. sales database. For Shinhan, we removed certain Chinese-origin sales in the home market database and applied a revised cost of production database.⁵

Use of Adverse Facts Available

Consistent with the *Preliminary Results*, we determine that Hyosung's failure to provide requested information necessary to calculate accurate dumping margins warrants the use of facts otherwise available with an adverse inference. Consequent to the changes from the *Preliminary Results*, as detailed above, the final margin for Hyosung is 120.90 percent.⁶

Cost of Production

As discussed in the *Preliminary Results*, we conducted an investigation to determine whether Ehwa and Shinhan made home market sales of the foreign like product during the POR at prices below their costs of production within the meaning of section 773(b) of the Act. For these final results, we performed the cost test following the same methodology as discussed in the *Preliminary Results*. In accordance with sections 773(b)(1) and (2) of the Act, we disregarded certain of Ehwa's and Shinhan's sales in the home market that were made at below-cost prices.

Final Results of the Review

As a result of the administrative review, we determine that the following weighted-average dumping margins exist for the period January 23, 2009, through October 31, 2010:

⁵ See Final Decision Memorandum, and Department Memoranda, "Final Results Calculation for Ehwa Diamond Industrial Co., Ltd.," and "Final Results Calculation for Shinhan Diamond Industrial Co., Ltd.," dated February 8, 2013, for changes specific to the dumping margin calculations.

⁶ For further discussion, see Department Memorandum, "Final Adverse Facts Available Rate for Hyosung," dated February 8, 2013.

<u>Exporter/Manufacturer</u>	<u>Margin</u>
Ehwa Diamond Industrial Co., Ltd.	11.90 percent
Hyosung Diamond Industrial Co., Ltd, Western Diamond Tools Inc., and Hyosung D&P Co., Ltd.	120.90 percent
Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc.	3.76 percent

Assessment Rates

The Department shall determine, and U.S. Customs and Border Protection (CBP) will assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b)(1). On October 24, 2011, the U.S. Court of International Trade preliminarily enjoined liquidation of entries that are subject to the final determination⁷. Accordingly, the Department will not instruct CBP to assess antidumping duties pending resolution of the associated litigation.

Pursuant to 19 CFR 351.212(b)(1), for all sales made by the respondents for which they have reported the importer of record and the entered value of the U.S. sales, we have calculated importer-specific assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondent did not report the entered value for U.S. sales to an importer, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales.

To determine whether the duty assessment rates were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), the Department calculated importer-specific *ad valorem* ratios based on the entered value or the estimated entered value, when entered value was

⁷ See Notice of Final Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the Republic of Korea, 71 FR 29310 (May 22, 2006).

not reported. Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (i.e., less than 0.50 percent).

The Department clarified its “automatic assessment” regulation on May 6, 2003.⁸ This clarification will apply to entries of subject merchandise during the POR produced by Ehwa and Shinhan for which these companies did not know that their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate involved in the transaction. For a full discussion of this clarification, see *Assessment Policy Notice*.

Cash Deposit Requirements

Effective October 24, 2011, the Department revoked the antidumping duty order on diamond sawblades from Korea, pursuant to a proceeding under section 129 of the Uruguay Round Agreements Act to implement the findings of the World Trade Organization dispute settlement panel in United States - *Use of Zeroing in Anti-Dumping Measures Involving Products from Korea* (WTIDS402/R) (January 18, 2011).⁹ Consequently, no cash deposits are required on imports of subject merchandise.

Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby

⁸ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (“*Assessment Policy Notice*”).

⁹ See *Notice of Implementation of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Diamond Sawblades and Parts Thereof From the Republic of*

requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These final results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

February 8, 2013
(Date)

Appendix – Issues in Decision Memorandum

General Issues

Comment 1: Whether to Eliminate Zeroing from the Margin Calculation Constraints

Comment 2: Product-Matching

Comment 3: Fraud Allegations and the Reliability of Respondents' Submissions

Ehwa-Specific Issues

Comment 4: Treatment of Indirect Selling Expenses

Comment 5: Treatment of U.S. Repacking Expenses

Shinhan-Specific Issues

Comment 6: Diamond Raw Material Consumption

Comment 7: Clerical Error in Treatment of U.S. Repacking and Calculation of CEP Profit

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